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MONTANA STATE UNIVERSITY
OFFICE OF THE COORDINATOR OF
EXTENSION AND COMMUNITY SERVICES

REPORT ON EVALUATION
TITLE I, U.S. HIGHER EDUCATION ACT OF 1965
GRANT FOR DEVELOPMENT OF UNIFORM ACCOUNTING
SYSTEMS FOR CITIES AND TOWNS IN MONTANA
December 1972

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PRINCIPAL ADMINISTRATIVE OFFICIALS

MONTANA STATE UNIVERSITY

Dr. Carl McIntosh, President

Mr. Ernest R. Ahrendes, Coordinator, Extension and Community Services

SUMMARY OF RECOMMENDATIONS

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STATE OF MONTANA
Office of the Legislative Auditor
STATE CAPITOL
HELENA, MONTANA 59601

The Legislative Audit Committee
of the Montana State Legislature:

We have examined the background, circumstances, and results of a project sponsored by Montana State University for the improvement of accounting systems in cities and towns in Montana. Our examination was performed with the agreement of the Audit Committee pursuant to a request by State Representative Francis Bardanouve, Chairman of the Montana Legislative Council, and was made in accordance with generally accepted auditing standards, including those auditing procedures we considered necessary in the circumstances.

Our examination was primarily directed towards an evaluation of project execution and accomplishments. In this respect, our examination did not encompass other projects administered by the Office of Coordinator of Extension and Community Services at Montana State University.

The results of our examination are presented in the following narrative which includes recommendations to the Office of Coordinator of Extension and Community Services.

COMMENTS

SUMMARY

The primary finding disclosed by our examination is that the project has not attained the objectives for which it was intended, i.e., the establishment of uniform accounting systems in cities and towns of Montana. Although the project is completed and the money exhausted, the objective of the project has not been attained, commitments made as a part of the project were not fulfilled, and the end product of the project, a report, is not being used.

Aside from the fact that the project has failed to meet its objectives, we also found that the report prepared under the project was, to a large extent, copied from other reports, was deficient in numerous technical aspects, and had several practical limitations. As a consequence of the foregoing, the cities and towns project is being completely redone by the Municipal Regulation Division of the State Department of Intergovernmental Relations (formerly the State Examiner's Office) under separate financing without the involvement of Montana State University.

We also found that a similar project with respect to an accounting system for counties is far behind schedule even though 49 percent of the federal grant money has been expended. Work on this project has presently been suspended pending the availability of personnel from the Municipal Regulation Division.

Finally, we found that for this project, the state agency administering the Title I grant program did not employ effective procedures to evaluate and follow up on the project. As a consequence, the agency had no effective means of determining whether the project was successful in terms of what it set out to accomplish. Additional information, as well as recommendations with respect to these matters, are presented in the comments which follow.

GENERAL

Title I of the U. S. Higher Education Act of 1965 (Public Law 89-329) authorizes the granting of federal money to states for the purpose of conducting community service and continuing education programs to assist in the solution of community problems. The grants require that the federal grants be matched by state or local contributions. Since 1968, the federal portion has been 66-2/3 percent and the state or local portion 33-1/3 percent.

Eligibility for participation in the Title I grants requires the designation of a state agency by the Governor, creation of a State Advisory Council, and the development of a State Plan to be approved by the U. S. Office of Education. Montana State University was designated by the Governor in 1966 to be the state agency to administer the Title I grants in Montana. In this regard, the Office of Coordinator of Extension and Community Services at the university is the specific organizational unit responsible for the administration and supervision of the State Plan, including the receipt and disbursement of grant moneys under the various projects.

The federal legislation and regulations underlying the program indicate that it is specifically oriented towards higher education, i.e., the grant moneys must be channeled through and administered by institutions of higher education. As a consequence, all of the projects are sponsored by and, in many cases, undertaken by colleges and universities. Since the Title I program was commenced in Montana in 1967 and through June 30, 1971, about \$575,000 in federal grants had been received to administer and conduct 76 separate projects, ranging from continuing education of inactive nurses in 1967 to the state legislative orientation program at the start of the 1971 legislative session. Included among these projects were two projects

pertaining to the development and implementation of uniform accounting systems for cities and towns, and counties in Montana.

CITIES AND TOWNS PROJECT

On October 22, 1969, Montana State University submitted a project proposal to the Office of Coordinator of Extension and Community Services, (hereafter referred to as the coordinator) which is the agency responsible for administration of the Title I program in Montana. The project proposal, which was in effect an application for a federal grant, was prepared and submitted by a faculty member of the University's School of Commerce on behalf of the University. Although the grant was sought on behalf of the University, the project itself was to be undertaken and directed by the faculty member who, for all intents and purposes, was the recipient of the grant. This relationship is typical of Title I grants.

The cities and towns grant was entitled "Development of and Training for Use of a Uniform Accounting System for the Cities and Towns of Montana." The application stated that the project was to develop and implement a uniform accounting system for cities and towns in Montana. To accomplish this, the proposal requested a federal grant of \$15,387, which would be matched by a state in-kind contribution of \$7,715, resulting in an estimated project cost of \$23,102. In other words, the proposed project envisioned that a uniform accounting system for cities and towns could be designed and implemented for \$23,102. On May 21, 1970, the proposed project was approved by the coordinator's office upon the recommendation of the State Advisory Council in the amount of \$22,902, consisting of a federal grant of \$15,187 and a matching in-kind contribution of \$7,715. The grant documents stipulated that the project was to commence in January 1970, and be completed by January 1972.

Our examination of the project disclosed that although a final report was made for the project within the stipulated time frame, the project was not completed pursuant to the terms of the grant. We found that the project failed to meet all of the objectives and commitments set out in the project proposal. These objectives and commitments were not only representations as to what was to be accomplished by the project, but also were the conditions under which the grant was approved. As a consequence, neither the representations made to secure the grant, nor the conditions under which the grant was approved were accomplished. This can be illustrated by a comparison of the objectives and commitments of the project with actual accomplishments. In this regard, item 12 of the approved project proposal enumerated five general objectives as follows:

- "1. To evaluate the current municipal accounting systems being used in Montana.
- "2. To devise a uniform accounting system for the cities and towns of Montana.
- "3. To implement such a system in Montana.
- "4. To train the city clerks and their staffs to effectively use the accounting system.
- "5. To assist the League of Cities and Towns in improving financial activities of the cities and towns."

In our opinion, the objectives can be combined and expressed as follows: (1) evaluation of present city and town accounting systems, (2) development of a uniform accounting system for cities and towns, and (3) implementation (including training) of a uniform accounting system in cities and towns. Our evaluation of the project in terms of these objectives disclosed the following:

Evaluation of Present Accounting Systems

There is no question that an integral part of the project was to be an evaluation of accounting systems currently in use in cities and towns. Not only was this a logical first step, but it was also specifically enumerated several places in the approved project proposal. As previously mentioned, it was listed as a specific objective of the project. It was also set out in the following language under item 11 of the approved project proposal:

"All 126 incorporated cities and towns in Montana will be involved in evaluation of their present accounting systems to determine methods of improving their systems."

In addition, item 13 of the approved project proposal stated that:

" . . . a sample review of current practices in all three classes of cities will be made. Based on this sample findings and what is being done in other states, a uniform system will be developed for Montana."

Irrespective of the foregoing objective and fairly explicit commitments, we were unable to find any evidence to indicate that an evaluation of accounting systems was made in all three classes of cities and towns. Insofar as we could determine, only one city was contacted with respect to its existing accounting system. However, there were no documents in the project files to indicate that any evaluation was made of any existing accounting systems or that existing systems were even considered in the formation of a uniform system. To the contrary, the documents in the file all pertained to administrative matters or the proposed uniform accounting system.

The project director informed us that Bozeman was the only city visited and evaluated in terms of its existing accounting system. The former city finance director advised us that he had several discussions with the project

director about the city's accounting system and that these conversations may be what the project director was referring to as an evaluation. We believe that the city of Bozeman was not a good choice as a typical Montana city or town, especially since we are informed that Bozeman has developed its own accounting system under a city manager form of government, which is not typical of most other Montana cities and towns.

In addition to the lack of evaluation of existing accounting systems, the project also did not utilize the expertise of a committee which was established expressly for the purpose of providing assistance. This "Blue Ribbon" committee was formed by the State Examiner's Office in October 1970, for the purpose of assisting in the development of a uniform accounting system. It consisted of six people, including the project director, officials from cities, towns, and counties, as well as a representative of the State Society of Certified Public Accountants.

Although the committee was seemingly highly qualified and represented the people who would work with any new accounting system at the city and town level, the committee was not consulted as a part of the project. The committee met once with the project personnel in November 1970, but did not convene again. The project director advised us that the committee was not utilized because nothing was accomplished at the one meeting they did have and it was his opinion that the committee would not make a significant contribution.

There is little doubt that an adequate evaluation of existing city and town accounting systems was not made during the course of the project. Notwithstanding the fact that this was a project objective and commitment which was not fulfilled, we believe the absence of an evaluation of existing systems constitutes a basic deficiency contributing to the lack of a useful

product. In our opinion, a workable uniform accounting system would be difficult to design, let alone implement, without consideration of the differences in existing accounting systems in 126 incorporated cities and towns. The significance of this deficiency is illustrated by the fact that major differences exist between cities and towns. For example, the treasury function in cities is much more sophisticated than that in towns. It encompasses an elected official in contrast to towns where the treasury function constitutes an appointed position which is often combined with other town offices. The project did not, however, recognize these rudimentary differences and, in fact, did not even provide for a treasury function.

The failure of the project to recognize basic realities is also illustrated by the fact that the project advocated that budgetary, accounting, and financial reporting systems be automated "whenever possible" using automatic data processing equipment. Although ADP is undoubtedly "possible" in most instances, we believe automation would be inappropriate and undesirable in many situations. For example, over 54 percent of Montana's incorporated cities and towns have a population of 1,000 or less. We do not think it would be appropriate for these communities to individually undertake automation of their financial systems even though it may be "possible." We believe salient points such as these would have been recognized and provided for had existing systems been evaluated. This was not done in the course of the project.

Development of a Uniform Accounting System

The project resulted in the preparation and publication of a manual entitled "Accounting, Budgeting and Reporting Systems for Cities and Towns of Montana." An accounting manual is a basic part of any workable accounting system. Accordingly, a manual was the only logical end result of this

project because the project objectives specifically included the development and implementation of an accounting system.

Our evaluation of the project disclosed a number of matters which we believe are indicative of the lack of value and usefulness of the manual and the material presented in the manual. For example, both the Municipal Regulation Division and Management Systems Bureau of the State Department of Administration have pointed out that the manual completely omits the treasury function that exists in cities and towns. The Management Systems Bureau also pointed out a number of other technical deficiencies, the more significant of which are summarized below:

1. The provisions to control budgetary appropriations and revenue estimates are inadequate.
2. Inadequate provisions are made for subsidiary control ledgers and the reconciliation of subsidiary records to control accounts.
3. The manual is technically incorrect in some instances.
4. Forms, procedural flowcharts, and standard operational details are generally lacking, and some of the forms illustrated would be inadequate or inappropriate in actual operation.
5. Cities and towns are given excessive latitude in deciding upon the basic premise of their financial management system in that neither the cash, accrual, nor modified accrual system were specifically imposed.

Besides being deficient in various technical respects, the manual was also limited from a practical standpoint. The Municipal Regulation Division cited the fact that the manual did not provide the "cook book" type of direction which, according to the Division, is badly needed in most cities

and towns. We agree that such an approach would be desirable, if not necessary. In this regard, we were informed by the project director that the Municipal Regulation Division was supposed to furnish him with detailed illustrations of procedures, forms, and documents, but never did and, as a result, the project director had to improvise in this area. However, the grant document includes no mention of the fact that the Municipal Examiner's Office was to be involved in the project. Irrespective of the reason, the absence of detailed illustrations, procedures, and forms is a major flaw in the manual.

Aside from the fact that the manual is not being used and has technical and practical deficiencies, we also found that 42 percent of the material in the manual was quoted verbatim or paraphrased directly from other reports or similar material as indicated below:

	<u>Pages</u>	<u>Percent</u>
Number of Pages in Cities & Towns Manual	165	100%
Pages quoted verbatim or paraphrased directly from existing sources	<u>70</u>	<u>42</u>
Pages from unidentified sources or original writing	<u>95</u>	<u>58%</u>

We found that the material quoted verbatim or paraphrased was taken from four basic sources as follows:

	<u>Pages Copied/Paraphrased</u>
1. State of Ohio, Uniform Accounting and Reporting System for Ohio Municipal Corporations	22
2. National Committee on Governmental Accounting and Auditing	21

3. Program for the Design and Implementation of an Integrated Budgeting, Accounting, and Financial Reporting System for the State of Montana by Touche, Ross, Bailey & Smart	15
4. Handbook for Montana Municipal Officers by D. A. Harris	<u>12</u>
Total pages copied/paraphrased	<u>70</u>

The material quoted or paraphrased was compiled as Chapter 1 of the manual, which represents the essence of the proposed accounting system and which comprised 72 pages of the 165 pages in the manual.

In most instances the fact that the material was quoted or paraphrased was obvious, i.e., entire paragraphs and sections were lifted from the original report and inserted in the manual without change. In other instances nominal changes, such as the substitution of "Montana" for "Ohio" were made. As a consequence, nearly one-half of the manual purportedly tailored and designed to meet Montana's needs was, in fact, a mere compilation of material from existing sources. In this regard, the manual does not adequately disclose that 42 percent of the manual was compiled from existing sources. Although the manual includes a selected references section which named the four reports cited above, the selected references section also included the names of 17 other publications which were not utilized in the same manner. Excepting for this, there was no other acknowledgment in the manual that existing sources were quoted or paraphrased even though such acknowledgment is a well established practice in the writing of technical publications.

Irrespective of the fact that specific acknowledgment was not given, it is not unreasonable, in our opinion, to rely upon existing sources. However, there is a risk in relying heavily upon systems designed by others

in that they may not be suitable and the various systems and procedures may be incompatible. In this regard, we noted that a number of the procedures and concepts compiled from the different sources were in conflict with each other. For example, a portion of the report, copied from the 1969 Touche, Ross, Bailey & Smart study on the State of Montana, stipulates that revenue be classified by program as well as fund and source. However, a later section of the report, which was copied from the National Committee on Governmental Accounting and Auditing manual, specifies that revenues be classified by only fund and source. As a consequence, two conflicting procedures were advocated in the report.

Heavy reliance upon systems designed by others also poses a risk in that the systems may be imperfect. As illustrated by the foregoing table, the manual prepared under the project relied heavily upon an Ohio report entitled "Uniform Accounting and Reporting System for Ohio Municipal Corporations." In fact, about 22 of the 165 pages in the project manual were quoted verbatim or paraphrased directly from the Ohio report. Consequently, it is evident that the Ohio report comprised a significant part of the proposed system for Montana. This in itself is not necessarily bad, except for the fact that we were informed by Ohio officials that the Ohio report and the system it advocates has not been and probably will not be implemented because of deficiencies, such as the absence of detailed procedures and technical guidance needed at the city and town level.

In summary, although a manual was developed as a result of the project, technical and practical deficiencies have resulted in the manual being unusable for the purpose for which the grant was made.

Implementation of a Uniform Accounting System

Whether or not the cities and towns project was successful is best illustrated, in our opinion, by the degree to which the manual and the

system it advocates have been accepted and implemented. In this regard, implementation of a uniform accounting system was not only an expressed objective of the project, but is also what the entire project was all about, i.e., to develop a better accounting system for use in cities and towns.

After reviewing the project files and discussing the matter with project personnel, as well as representatives of a large number of cities and towns, there is no indication of any instance where the material presented in the project manual has been implemented to any degree, nor is there any indication that plans to do so exist. In this regard, project personnel provided us with the names of nine cities and towns which they believed were implementing the project's manual and proposed system. However, financial officials of these towns informed us that no aspect of the project's manual or system had been implemented and that there were no plans to do so.

Similarly, the Municipal Regulation Division advised us that staff examiners in the various cities and towns across the state have not found any instance where the system advocated by the project was implemented. Consequently, the information available to us appears to clearly refute the claim that the system proposed by the project is being implemented. We found no instance to the contrary and, as a result, we believe it is reasonable to conclude that the project was a failure from the standpoint that the expressed objective of implementing a uniform accounting system was not and will not be achieved as a direct or indirect result of the project.

The failure of the project is also evidenced by the fact that the Municipal Regulation Division is presently engaged in an effort to accomplish what the project did not accomplish, i.e., to design and implement

a uniform accounting system for cities and towns. The Municipal Regulation Division is responsible by law for the prescribing of accounting systems for cities and towns, as well as counties. Since the manual and system produced by the Title I project is unusable in the Municipal Examiner's view, the Municipal Regulation Division has undertaken an effort to redo the task of designing and implementing a uniform accounting system for cities and towns. This effort is being undertaken by the division under a special appropriation of \$38,800 from the State General Fund by the 1971 Legislative Assembly in conjunction with a federal grant of \$7,500 through the Planning and Economic Development Division of the State Department of Intergovernmental Relations. Had the Title I project manual and system been usable, according to the Municipal Examiner, this additional money would have been available for further implementation of the system. Since this was not the case, the money is being used to design as well as implement a uniform accounting system for cities and towns.

The accounting system project for cities and towns undertaken by the Municipal Regulation Division is being accomplished in two phases, one phase directed toward towns and the second phase toward cities. The uniform accounting system for towns has been designed and is partially implemented in that the manual, hardware, and basic accounting records are in the hands of town officers who have been oriented in the use of the system. With respect to cities, we have been informed that the newly devised accounting system for towns will be expanded to encompass cities and that it is anticipated that many towns will be using the uniform system designed by the division by June 30, 1973. We were also informed that the manual and system devised under the Title I grant at Montana State University were not used in the Municipal Regulation Division's undertaking and that for all intents and purposes it has been discarded.

In summary, it appears to be conclusive that the Montana State University Title I project to develop a uniform accounting system for Montana cities and towns was not a success. Existing accounting systems were not adequately evaluated, a workable uniform accounting system was not designed, and finally, a uniform accounting system was never implemented. In view of this, we believe the coordinator's office should examine the conditions and circumstances under which the federal Title I grant was made to determine whether any administrative action is appropriate.

RECOMMENDATION

We recommend that the coordinator examine the conditions and circumstances under which the federal Title I grant was made for the cities and towns project to determine whether any administrative action is appropriate.

COUNTIES PROJECT

Subsequent to the approval of the federal grant pertaining to cities and towns, Montana State University submitted another application for a federal Title I grant to develop and implement a uniform accounting system for counties in Montana. The application for this grant was submitted on April 24, 1970, and approved by the coordinator on November 16, 1970. The project financed by this grant is entitled "Development of and Training for Use of a Uniform Accounting System for the Counties of Montana," and has the following objectives:

- "1. To evaluate the current accounting systems being used by the county governments of Montana.
- "2. To devise a uniform accounting system for the counties of Montana.

- "3. To implement such a system in Montana.
- "4. To train the County Clerks and Recorders and Treasurers to effectively utilize such a system in Montana.
- "5. To assist the counties of Montana in the use of reporting systems, data collection and dissemination, and resource management.
- "6. To assist the state officers in fulfilling their legal obligation to the state."

The project proposed by the application and approved by the coordinator is similar to the cities and towns project not only in its objectives, but also in other respects. The proposed cost of the project is \$29,725, consisting of a federal Title I grant of \$15,289 and matching state in-kind contributions of \$14,436. Initially, the counties project was to commence in September 1970, and be completed by September 1972. In April 1972, however, the completion date was extended over one year later to December 31, 1973. Documents in the grant files indicate that this extension resulted from the fact that the Municipal Regulation Division would be unable to participate in the project until July 1, 1973. According to the project director, work on the project to date has been confined to reviewing publications and statutes, which falls within the first objective of the project. In this regard, the project director recently advised the coordinator that design of a new system had not begun yet. Nevertheless, about \$7,500, or 49 percent, of the federal grant has been advanced and expended, primarily for salaries and salary related benefits.

Similar to the cities and towns project, the counties project proposes an evaluation of existing accounting systems, design of a new uniform accounting system, implementation of the new accounting system, and a final

of county financial officers. However, in the case of this project, everyone concerned, including the coordinator, project director, and others, has expressed the belief that the Municipal Regulation Division should be more involved in the project from beginning to end. For example, on December 17, 1971, the coordinator requested the project director to work more closely with appropriate state agencies such as the Municipal Regulation Division in the development of the counties project. In response, the project director stated that a long term commitment of the Municipal Regulation Division would be necessary if the project were to be a success.

We also believe the Municipal Examiner must be fully involved if the counties project is to be a success. In fact, we believe that the entire counties project could be accomplished in a more efficient and effective manner if the Municipal Regulation Division were totally responsible for the project. We base this belief on the fact that: (1) the division has the statutory duty and responsibility, pursuant to Section 82-1002, R.C.M. 1947, to prescribe accounting systems for counties in Montana; (2) the division already has knowledge of what accounting systems currently exist in the counties; (3) the division has personnel in the field to assist in the implementation and training phases of the project; and (4) the division has designed and is implementing a uniform accounting system for cities and towns which may be adaptable in many respects to counties. We also believe it is important that a uniform accounting system in counties interface with the statewide accounting system since numerous revenues and expenditures flow between the county and state government. In this respect, the Municipal Regulation Division is using the statewide accounting system and has ready access to state offices for guidance.

In view of the foregoing, we believe the coordinator should amend the federal Title I grant for the development of a uniform accounting system. Insofar as it is possible, we believe the grant should be redirected toward the Municipal Regulation Division to the extent that the primary responsibility for completion of the project is placed upon the division rather than the present project director. A change such as this would not only make greater use of existing resources, but would also serve to insure that the project is successful.

RECOMMENDATION

We recommend that the coordinator redirect the federal Title I grant for the development of a uniform accounting system for counties to the Municipal Regulation Division of the State Department of Intergovernmental Relations.

PROJECT EVALUATION AND FOLLOWUP

Our examination of the Title I grant project disclosed weaknesses in the project followup and evaluation procedures. We found, for example, that the coordinator's office, which is charged with administration of the Title I grant program, did not effectively evaluate the project to determine whether or not the objectives of the project were achieved.

Both the federal regulations (45 C.F.R. 173.16) and the State Plan (Paragraph VIII) require that procedures be established to provide for periodic, systematic, and objective administrative reviews and evaluations of projects. In this connection, the coordinator's office requires that project proposals include statements as to the manner in which the project's success will be evaluated by the project personnel. In addition, the coordinator's office requires that the final report submitted

include a complete evaluation of the project in terms of the evaluation measures set out in the project proposals.

In the case of the cities and towns project, the project proposal stated that the project would be evaluated by three methods: (1) a questionnaire to be completed by participants after training seminars, (2) a followup survey of clerks after implementation of the new system, and (3) a survey of C.P.A.'s who have audited the new and old systems. None of these evaluation techniques were used in conjunction with the project even though they were cited in the project proposal, which was incorporated into the contract resulting in the grant. We were advised by the project director that these evaluation measures had not been taken because the accounting system advocated by the project was not yet implemented. Whatever the reason, the fact remains that the success or failure of the project was not evaluated pursuant to the evaluation procedures set out in the approved project proposal.

As previously mentioned, the coordinator's office also requires that the final report on the projects include a complete evaluation of the project. In this regard, the final report filed in November 1971, on the cities and towns project listed a number of accomplishments which in actuality were nonexistent. For example, the final report stated that:

"The program met its objectives in that a modern accounting system was developed, training was given to the appropriate people, and implementation of the program is underway.

"This project is providing a uniform Accounting, Budgeting, and Reporting System for all of the cities and towns of Montana.

"Also the local officials are better able to cope with the financial problems involved."

The foregoing statements tend to indicate that the project was a success. However, each of these statements is clearly refuted by the facts as previously presented. That is, no aspect of the project has been implemented, the project is not providing a uniform system for Montana cities and towns, and the project has had no discernible effect on the abilities of local officials to cope with their financial management problems.

We do not believe that meaningful evaluation of a project can be made solely from the statements of project personnel. In the first place, project personnel are not in a position to render an independent and objective evaluation of their own efforts. Secondly, project personnel could potentially suffer from an evaluation which disclosed project failure or adverse results. To overcome this and provide an independent evaluation, we believe that the coordinator's office should establish an evaluation procedure whereby the accomplishments cited in interim and final project reports are verified.

Since a fiscal audit is routine at the completion of each project, we believe this fiscal audit could be broadened to encompass an independent and objective assessment of project success or failure. A procedure such as this would not be difficult from the standpoint that it would only have to consist of verification of the accomplishment statements made on the interim and final project reports. In the case of the cities and towns project this could have been done by contacting either the Municipal Regulation Division or a sample of financial officers in cities and towns. We believe feedback information such as this should be an integral part of the management of the Title I grant program.

RECOMMENDATION

We recommend that the coordinator expand the scope of the fiscal audits of Title I grant projects to include independent verification of project accomplishments and determination of project success or failure.

CLOSING COMMENTS

The contents of this report have been provided to and discussed with officials at Montana State University, including the president, coordinator, and project director. The matters presented in the report were also discussed with representatives of the Municipal Regulation Division.

We appreciate the cooperation and assistance extended by these individuals during the course of our work.

Respectfully submitted,

Morris L. Brusett

Morris L. Brusett
Legislative Auditor

December 12, 1972

